



OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000



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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Use of Charge Card Rebates to Fund Government-Wide Initiatives

Section 637 of the fiscal year 2000 Treasury and General Government Appropriations Act, Public Law 106-58, states that the Administrator of General Services may provide up to \$7 million from government-wide credit card rebates to support Government-wide financial, information technology, procurement, and other management innovations, initiatives, and activities. The Office of Management and Budget (OMB) must approve this effort, in consultation with the appropriate interagency groups, to include the Chief Financial Officers (CFO) Council. In addition, the law provides that funds may not be transferred until 15 days after the Director of the OMB notifies the Appropriations Committees of the proposed transfers.

The Department contributed approximately \$1.2 million to these efforts in fiscal year 1999. The OMB and the CFO Council have committed to a 1-year extension of this funding arrangement. Consequently, the Department of Defense (DoD) Purchase Card Program Management Office (PMO) and the Travel Card PMO are directed to take the necessary steps to be ready to remit up to \$1.5 million for fiscal year 2000. As indicated, charge card rebates may not be provided, or otherwise made available, until 15 days following notification to the Committees on Appropriations of the Senate and House of Representatives by the Director of the OMB. The Office of the Deputy Chief Financial Officer (ODCFO) shall notify both the Purchase and Travel Card PMOs once the OMB has notified the Appropriations Committees in accordance with the provisions of Section 637 of the Treasury and General Government Appropriations Act.



- The Purchase Card PMO shall be prepared for 2.7 basis points to be remitted, up to the amount of \$1.3 million (\$400,000 each for the Army, Navy, and Air Force and \$100,000 for Defense-wide activities).

- The Travel Card PMO shall be prepared for 2.7 basis points to be remitted, up to the amount of \$200,000 (\$60,000 each for the Army, Navy, and Air Force and \$20,000 from Defense-wide activities).

This investment is worthy of the Department's support. It is not the Department's intent, however, to make charge card refunds available for such purposes beyond fiscal year 2000.



David R. Oliver, Jr.
Principal Deputy Under Secretary
of Defense for Acquisition, Technology
and Logistics



Alice C. Maroni
Principal Deputy Under Secretary
of Defense (Comptroller)